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EXHIBIT NO.1

Presented on September 11, 2007 Craig DeGiacomo Paul Greff, CFA John A. Tucker, CFA



A presentation to:

Houston Police



No. 08-05442 HPOPS v. State Street Memo in Resp to M/Strike Weiner Exhibit 2

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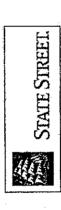
Asset Management

Research and

Frading

Investment

Financial Services to Institutional Investors poration:



AA- senior debt rating

More than 22,300 employees in 26 countries

Fiduciary heritage since 1792

Core business managing and servicing

financial assets

29 consecutive years of operating EPS growth

Ten-year annualized return to stockholders of 17%

Asset Servicing

Securities Finance

Investor Services

Global Markets

Close to \$700 billion in assets on loan Lending across multiple asset classes

assets under custody

\$13.0 trillion* in

in 40 markets 150+ borrowers

operations outsourcing

Premiere hadge fund

service provider

investment manager

Largest provider of

worldwide

* \$11.5 trillion in value traded in 2006
* \$366 billion in assets transitioned in 2006
• Trading relationship with 88 of the 2006 Global investor Top 100 Largest Asset Managers, representing over \$22 trillion of managed

* \$1.9 trillion* in assets under management

Global Advisors

Largest worldwide Institutional assets**

 Investment solutions across the risk/return spectrum STATE STREET GLOBAL ADVISORS | SSGA.

assets

* As of June 30, 2007
** Pension & Investments, May, 2007



Common Global Technology Platform Global Compliance and Risk Management

- 1700+ employees, 482 investment professionals
 - * 25 offices, 11 investment centers
- Nine Global Alliance companies

e 24 hour trading capability, with equity trading desks in Boston, London, Hong Kong

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ston Police Officers' Pension System

Investment Summary

As of July 31, 2007

A Warket Value	DJ AIG Commodities Index Sep. Acct. \$68,320,519	\$68,320,519
	DJ AIG Commo	Total

Statement of Asset Changes

The following changes took place in the Houston Police Officers' Pension System account for the month::

	Starting Balance 06:30/2007	Contributions	Withdrawals	Appreciation (Depreciation)	Ending Balance 7/3/1/07
DJ AIG Commodities Index Sep. Acct.	\$73,135,502	1	ļ	(\$4,814,983)	\$68,320,519
Total	\$73,135,502		ياد سد وي سامة شمينان في شورون الاستواد المواهد	(\$4,814,983)	\$68,320,519

Summary of Performance: Following are the returns for the Houston Police Officers' Pension System portfolios versus the corresponding benchmarks:

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Enhanced DJ-AIG Commodity Index Strategy

Experienced Team Managing Index Strategies

	Barch Boisi CEA Sungativin	Montred 1	The GSPG Tool Kit	Global Trading Roger Petrin 23 global traders	Operations Dominic Janssens 80 dedicated professionals	Data Group John White 18 dedicated professionals
Paul Brakke	US Märkets Non-US Markets TaxEfficient Market Capture Res John Tucker Graffer State Cra Unit Head War William Bartet Cra	EIFS. Synthetic Beta Emerging (2007) Divayne Hancock CFA Karl Schrielder Eom Colambin CLA Carlos (2004) Luan Aceredy Chira Cheung Carlos (2004) Sait Beech Kaile Croca Chira Cheung Church (2004) Bailey Bistop: GFA Carlos (2004) Kaile Croca Carlos (2004) Sait Beech Kaile Church (2004) Bailey Bistop: Teddulanowse, Melicia Waithfull (2004) Bety Otherio Carlos (2004)	Mumich Matthias Schueller Richard Hamam Asile III Richard Barres Richard Barres Richard Barres	Change Tourister The Robinson Inc. (Change Care Chair) Bernard Contraction Co	Hong Kong David Chai	William Cliów Michalle Jd Michalle Jd Shunsuka Idhibose w

North America

Europe

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As of July 18, 2007

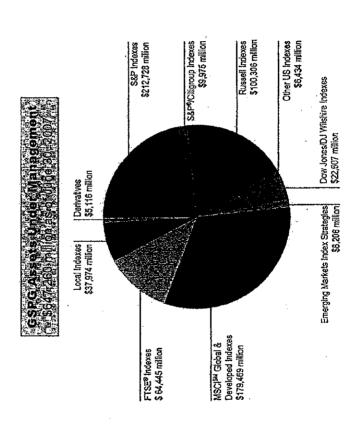
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Pacific

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Leading Manager of Global Indexed Assets*

- \$39 billion in average net new assets over the past five years
- 86% of new assets come from existing clients*

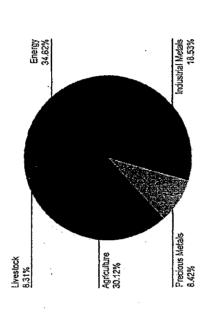


* As of June 30, 2006

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DJ-AIG Commodity Benchmark Overview

Agriculture	m	Industrial Metals	Metals
Wheat	5.32	Aluminum	6.20
S	4.61	Copper	7.40
Soybeans	8.84	Nickel	2.73
Soybean Oil	3.32	Zinc	2.20
Coffon	3.20	Livestock	u
Sugar	233	Live Cattle	
Coffee	2.49	Lean Hogs	3.10
Energy		Precious	ž
Crude Oil	13.80	Gold	639
Unleaded Gas	5.00	Silve	202
Heating Oil	4.29	5	
Natural Gas	<u> </u>		



- Weight set using 5 year liquidity and production data (2/3-1/3). Annual rebalance.
- No commodity more than 15% or less than 2%. No sector more than 33% at annual reset.
- Includes US and non-US contracts
- Illiquid futures contract on CBOT
- Many brokers offer swaps

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Sector Weights are as of June 30, 2007

Enhanced DJ-AIG Strategy Overview

Commodity Exposure

Commodity exposure through index swaps

Four swaps open, all with AIG

Approximately half of swap notional expires 9/28

Remaining half expires 12/31

* Limited Duration Bond Fund

Cash in portfolio held in Limited Duration Bond Fund

Collateral Cash held at AIG

SSgA Swap Risk Management

Minimizing risk while maximizing liquidity

SSgA's Credit Policy Team

Initial and ongoing review of all counterparties

Nine analysts focusing on counterparty risk and short term debt analysis

On-line credit research and risk controls for immediately data distribution

Counterparty Selection

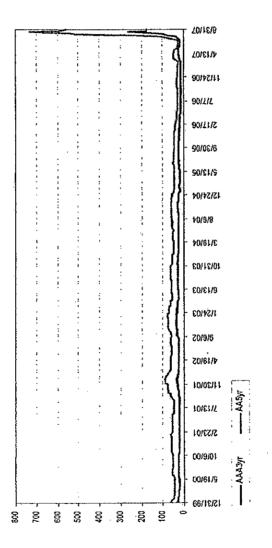
Minimum Credit rating 'A' or better AIG is only approved counterparty Regular resets and expirations

SSgA Swap Database

Automation allows for review by compliance, risk management and portfolio management Daily valuation allows for daily reconciliation with counterparties Both Fund and Full firm counterparty exposure monitored

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174 bps 7) 25 007) 6.2 bps 26/14		AAA 3yr	AA 5yr
	_	174 bps	256 bps
	Average Spread (through June 2007)	25	83
25/14	Standard Deviation (through June 2007)	6.2 bps	21.4 bps
	1yr Wide/Tight (through June 2007)	25/14	50/28
30/14	3yr Wide/Tight (through June 2007)	30/14	60/28
	* As of August 30, 2007		

t Review — Home Equity Loan Exposure

What is The ABX Trade?

- ABX is a 20-name index of recently issued subprime residential mortgage securities that is tranched into five rating categories (i.e., AAA to BBB-)
- We owned the BBB tranche in the fund at an average cost of 94 (Libor + 325)
- Trade was implemented to capture high incremental yield and attractive valuations

that Happened in the Last 2 Weeks of February

- began actively using ABX (BBB- tranche) to short the US housing market Macro hedge funds seizing upon negative housing market headlines
- * A combination of thin volume and the shorting power of the macro hedge funds led to unprecedented price volatility and a reluctance of value-oriented longs to enter the market
- The bid/ask spread widened from 4/32s to as much as 6 points

Recent Price Action and Current Relative Value

Securitized ABX BBB Price Action

		· · · · · · · · · · · · · · · · · · ·			
	Sprea	278	354	615	266 266 266 266 266 266 266 266 266 266
て かっこう	Price	95-16	93-08	96-00	
٦. د د	Date	1/5/07	1/26/07	2/16/07	

	5-Year Corporate CDS"	T. c. T Spread	90	240	324	574
Unsecured	o-rear cor	Ratings	888	88	മ	000

* As of June 30, 2007

More Recent, and Impactful, Subprime Events

securities, were marked to market by Wall Street dealers holding these securities as * Bear Stearns hedge fund holdings, primarily less liquid and less transparent collateral for financing purposes (June)

Repricing caused margin calls, which Bear Stearns was unable to meet

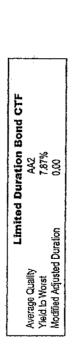
- Rating agencies announce that many subprime mortgage backed securities are to be downgraded or were put on watch with potential negative implications (July)
- As a result of supply and demand imbalances and their impact on liquidity, market dislocations of historic proportions are felt through all credit segments of the subprime market in July

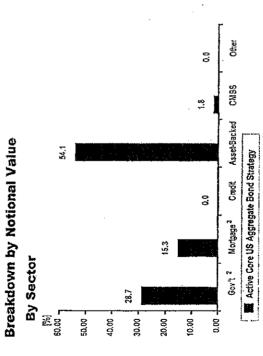
Triple A sector widens from a spread of 19 basis points over LIBOR on June 30 to 80 basis points at the end of July. Currently at 262 basis points.*

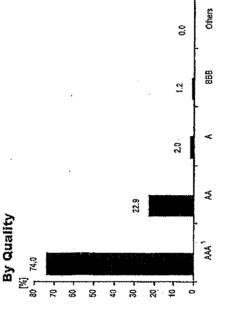
Double A sector widens from 38 basis points over Libor to 270 basis points in the same timeframe. Currently 729 basis points.*

Characteristics **Limited Duration Bond Common Trust Fund**

As of July 31, 2007







The composition of the portfolio changes, and there can be no assurance that composition has not changed since the reporting date, which is 7/31/07, includes Treasury Futures, Option on Futures, Interest Rate Swaps, and Interest Rate Swaptions Includes Treasury Futures, Agency, Treasury Futures interest Rate Swaps, and Interest Rate Swaptions Includes Agency MBS and CMOs

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Biographies



Craig DeGiacomo

Craig is a Vioe President of State Street Global Advisors where he is responsible for managing relationships within SSgA's existing public fund client base. Prior to his current role, Craig was a member of the Active International Equity Investment team. He was responsible for investment management, research, product development, and positioning for International strategles, Craig has spoken at several media events and has authored articles on international markets. Before that, Craig was an Operations Manager for SSgA's Global Structured Products Group, where he was responsible for overseeing Investment Operations for developed and emerging markets. Prior to joining SSgA in 1996, Craig worked in State Street Corporation's Public Funds Division.

Craig holds an MBA from the Carroll School of Management at Boston College with a concentration in Finance and received a Bachelor of Science degree from Providence College.



Paul Greff, CFA

Paul is Senior Managing Director of State Street Global Advisors and Director of Global Fixed Income having responsibility for all of SSgA's US and non-US bond strategies. Prior to his current position, Paul was the Director of Active Fixed Income strategies in the US and oversaw the investment process for all active products. In that role he also chaired the Asset Allocation Committee. He joined the firm in 1996 as Head of Passive Fixed Income Strategies and designed and implemented an investment process which has since attracted more than \$40 billion in assets.

Prior to joining SSgA, Paul was a Senior Portfolio Manager with. Munder Capital Management in Birmingham, Michigan. At Munder, he managed the firm's flagship Total Return Bond Fund and gained experience managing a variety of asset classes.

Paul holds a Bachelor of Arts degree in Political Science from Kalamazoo College and a Master of Business Administration degree in Economics from the University of Detroit. He also earned the Charlered Financial Analyst designation.

Biographies



John A. Tucker, CFA

John is a Vice President of State Street Global Advisors and Head of US Equity Markets in the Global Structured Products Group, he is also responsible for all Derivative Strategies and Exchange Traded Funds. He manages numerous index strategies and works closely with the other Unit Heads in the group. In addition, John is responsible for new product research and development, and manages our commodity index strategies.

Previously, John was head of the Structured Products group in SSgA's London office, where he was responsible for the management of all index strategies in our second largest investment center. Prior to joining the investment management group, he was the Operations Manager for SSgA's international Structured Products group, where he was responsible for the operations staff and functions. He joined State Street in 1988.

John received a BA in Economics from Trinity College and an MS in Finance from Boston College. He has also earned the Chartered Financial Analyst designation and is a member of the Boston Security Analysts Society and the CFA institute.

9/11/07

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1. Do you know the mix of investors versus home-buyers in the underlying mortgage pool. Wouldn't this be a good credit review indicator?

2. To what degree have older vintage securities with additional equity build-up been sold? Then don't know

3. What policies are in place to ensure equity when participants withdraw units from the bond fund? Were units withdrawn at malifolding unit value?

4. If the market recovers, and there is increased liquidity in the subprime market, there still seems to be a permanent impairment in the value of the portfolio due to the number of odd lots. They arknowledged they are true

5. Documents from State Street indicate that risk was reduced in how to where we so the

6. We received a letter on 8/2/2007 that said the "certain SSGA Bond Funds would be redeeming in-kind and that this would not negatively effect liquidity." On 8/3 approx 43% and on 8/10, 88% of all remaining units were liquidated. Was this liquidation the in-kind liquidation referred to in your 8/2/2007 letter, and if so, how can removing 88% of the holdings in the fund and reducing everything to odd-lots not affect our liquidity.

1. What strategy will be used going forward assuming we stay in-portfolio probably not ligenough to Eartimal in stretay.

8. Rational for no divers: freation often than RMBs

9, 15% cash et 12/31 - mot disusses

10. Default process - they don't know, have to est credit

11. F/S say distributions 5/B at NAV/unit - said distributions are not made at NAV but at actual proceeds, we pointed out that their binavel statements said distributions were to

12. They said remaining portholio would have same characteristics as before recent liquidations and would provide us of support for their

Cawson